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M1037/0006
Mike

May 22, 2014

Paul Baker
Utah Division of Oil, Gas & Mining
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Ted McDougall
Bureau of Land Management, Monticello
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365 North Main Street
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RE: Operational Status of Energy Fuels' Rim Mine (M/037/0006, SJ-84-IP)

In response to an e-mail from Mike Bradley to Frank Filas dated January 30, 2014, Energy Fuels Resources (USA) Inc. (Energy Fuels) prepared the following information. We communicated with Mike at length in recent months to better understand Utah Division of Oil, Gas & Mining (UDOGM)'s interpretation of R647-4-117, R647-3-113 and other rules pertaining to temporary suspension. The information provided here was prepared to summarize recent mining operations at our project site and provide quick access to our contact information and the Interim Management Plan in place at our mine. Also, in response to a separate communication from Mike Bradley on March 14, 2014, we proposed to spread a temporary seed mix over portions of the sites that are not in immediate use.

1.0 Summary of Recent Mining Operations

The mine was developed in the early 1970s by Atlas Minerals. During the 1980s, the mine operated intermittently and operated again for a few years in the early 1990's. In 2008 the mine was dewatered, rehabilitated, and put back into production. The mine stopped producing ore in the fall of 2009. Dewatering operations continued in order to allow the mine to be restarted rapidly when the price of uranium improved. During this period, underground access was necessary for regular pump maintenance which, in turn, necessitated regular ventilating of the mine. Pumped water continued to be treated and discharged in accordance with the mine's UPDES permit. In February 2013, dewatering was halted, the vents were closed and the shaft was locked. During the summer of 2013, the waste rock pile was reshaped to fill in a center trench and regraded to a 3:1 slope. The Columbus and Humbug declines were also backfilled in July 2013.

2.0 Condition of Affected Land

During periods of temporary suspension of operations, the mine is regularly inspected and maintained in accordance with Interim Management Plan filed with the BLM and/or typical good housekeeping practices. In accordance with R647-4-113 and R647-4-117, UDOGM requested additional information on Energy Fuels' site management procedures. In response to that request, the Interim Management Plan for the mine is attached to this letter.

3.0 Proposed Temporary Seeding

In response to a request from UDOGM on March 14, 2014, Energy Fuels will seed exposed areas of the mine during this period of temporary suspension. One attempt will be made to seed in disturbed areas focusing on the top, flat areas of the waste rock piles and large, unused portions of the laydown yards. Areas around buildings will not be seeded so that the site does not appear abandoned thus making it more prone to vandalism. Seeding will be completed in the late fall or early winter and will not be preceded by topsoil spreading. Seeding methods, including seedbed preparation, will be determined by the terrain and available equipment. The purpose of this seeding effort is to encourage a temporary vegetative stand to help control weeds and reduce sediment production. This voluntary seeding effort is not expected to produce the 70% cover required for bond release due to the lack of topsoil spreading. The temporary seed mix to be used for this effort is a combination of Indian ricegrass, western wheatgrass and Needle and thread grass. These species are a subset of the seed mix that was approved for reclamation at many of Energy Fuels Colorado Plateau mines.

4.0 Contact Information

If you need to reach Energy Fuels during this period of limited operations, the following contact information should be used:

Race Fisher
Mine Superintendent
Office phone: (970) 677-2702
Cell phone: (970) 739-5742
RFisher@energyfuels.com
9244 W. Hwy 141
Egnar, CO 81325

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Andrea Reither
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Unfortunately, it is not possible to predict precisely when the uranium commodity price will reach a level where it is profitable to reopen our mines. If a mine continues for 5 years without mining operations, Energy Fuels will notify the division pursuant to R647-4-117 and R647-3-113.

Please contact me at 303-389-4133 or areither@energyfuels.com if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Andrea Reither'.

Andrea Reither
Environmental Permitting Specialist

cc: Mike Bradley , Wayne Western (UDOGM)
Tony Mansfield (SITLA)
F. Filas, J. Massey, R. Fisher (Energy Fuels)

Attachment: Rim Interim Management Plan

**RIM COLUMBUS MINE (UTU68061)
INTERIM MANAGEMENT PLAN
ENERGY FUELS RESOURCES (USA) INC.
SAN JUAN COUNTY, UTAH**



**Prepared By:
ENERGY FUELS RESOURCES (USA) INC.**



**225 Union Boulevard, Suite 600
Lakewood, Colorado 80228**

May 2014

1.0 INTRODUCTION

The mineral commodity markets tend to be cyclical, that is, prices rise and fall substantially over periods of years. In the uranium market for example, high prices in the late 1970s gave way to very low prices in the early 1990s, with spot prices falling below the cost of production for most mines. In 1996 spot prices recovered to the point that many mines could produce profitably, though prices soon declined again and only started to recover strongly late in 2003. In the past, these market fluctuations have led to a series of temporary suspensions followed by re-opening of mines when uranium prices increased.

Interim management of the mines protects BLM lands from undue degradation during periods of non-operation. In the event that market conditions or other circumstances require a temporary suspension of mine operations at the Rim Columbus Mine, Energy Fuels Resources (USA) Inc. (Energy Fuels) will provide notice to the BLM. During non-operating periods, Energy Fuels will maintain the buildings, drainage structures, roads, and other surface facilities in a safe and environmentally acceptable condition. Underground openings, gates, and buildings will be locked to discourage unauthorized access when Energy Fuels mine personnel are not present.

The Rim Columbus Mine Plan of Operations was approved prior to January 20, 2001 so it is not necessary for this mine to comply with 43 CFR Part 3809.401, Section (b)5 which requires an interim management plan. However, in order to be consistent with other Energy Fuels projects under BLM jurisdiction, we have elected to voluntarily prepare and comply with the interim management plan requirement. In the event of temporary suspension of operations, in order to prevent unnecessary or undue degradation, the following plan will be followed by Energy Fuels.

2.0 MEASURES TO STABILIZE EXCAVATION AND WORKINGS

The underground workings will be stabilized in accordance with Mine Safety and Health Administration (MSHA) regulations. Roof bolts, mats, wire mesh, cribbing and other types of support will be installed, as needed, to stabilize the back and ribs. Equipment will be removed from immediate working faces and from lower areas of the mine where water may collect. Mine portals and adits will be gated and locked or backfilled during periods of non-operation. Vent holes will have metal diffusers and metal grates to prevent access to them. These diffusers and grates will remain in place during periods of non-operation. The mine is an underground mine; therefore, no trenches or pits are excavated during mining operations, and stabilization is not required.

Exploration drill holes are typically closed following exploration drilling and it is unlikely that drill holes would remain open for longer than 30 days. In the event that exploration drilling holes are open during a period of non-operation, the holes will be abandoned in accordance with Rule 647-4-108 of the Utah Administrative Code (UAC) and BLM best management practices.

The surface area will be maintained in accordance with the mine's Stormwater Pollution Prevention Plan (SWPPP). Areas exhibiting erosion will be repaired and runoff will be monitored periodically in accordance with the approved Plan of Operations and SWPPP. Ditches, culverts and other surface drainage features will be inspected quarterly and cleaned out as needed. Energy Fuels Field Personnel will inspect the fencing around the mine area on a

periodic basis during temporary suspension to verify that they are in good repair and that there has not been any vandalism at the mine. Signage related to public health and safety will remain in place.

3.0 MEASURES TO ISOLATE OR CONTROL TOXIC OR DELETERIOUS MATERIALS

Potentially toxic materials on site during routine operations may include diesel fuel, gasoline, oil products (i.e., motor oil, hydraulic oil, gear oil, and used oil), starting fluid, and antifreeze. These materials will be stored and used on site in accordance with the provisions of the mine's Spill Prevention, Control, and Countermeasures Plan (the "SPCC Plan"). In the event of temporary suspension of mining activities, any unnecessary fuel and deleterious materials will be removed from the site and either used, recycled, or disposed of in accordance with state and federal regulations. Fuel tanks that have been emptied will typically remain on site within their secondary containment and be marked as empty. Stormwater runoff from the waste rock pile may also be deleterious and is controlled in accordance with the SWPPP. Runoff from the site drains to existing retention ponds that were designed to prevent discharge from up to a 100-year storm event.

4.0 PROVISIONS FOR THE STORAGE OR REMOVAL OF EQUIPMENTS, SUPPLIES AND STRUCTURES

Equipment and supplies at the mine will be removed from site, or will be placed into locked storage buildings. No equipment or supplies will remain outside of mine buildings or outside of the workings. The locks and buildings will be monitored periodically to ensure that vandalism has not occurred.

5.0 MEASURES TO MAINTAIN THE PROJECT AREA IN A SAFE AND CLEAN CONDITION

The site will be kept clean and free of litter and debris. Trash, used tires, old equipment parts, empty barrels, and other miscellaneous materials will be removed from the site and either recycled or disposed of properly. Site safety will be maintained by discouraging unauthorized access through the use of locked gates, fences, warning signs, and security personnel, if necessary. Signage for speed limits and access limitations will remain in place.

During periods of temporary suspension, equipment and materials will either be removed from the site, or placed and locked inside buildings. The ore will be removed from the surface and transported to the White Mesa Mill in Blanding, Utah. Surface areas, including but not limited to, the waste rock stockpiles, structural stormwater controls, and earthen berms will be repaired prior to suspension and maintained, as needed, during the suspension period. The mine office and shop will be locked and monitored periodically.

6.0 PLANS FOR MONITORING SITE CONDITIONS DURING PERIODS OF NON-OPERATION

As detailed above, this Plan meets the requirements of 43 CFR 3809.401(b)(5)(v) to establish a plan for monitoring the mine during periods of non-operation.

During periods of non-operation, Energy Fuels will maintain mine facilities in a safe and environmentally acceptable condition. The mine facilities area, buildings, portals, adits, vent holes, roads, sediment controls, and surrounding fencing will be monitored on a periodic basis. Maintenance of facilities, stabilization structures, and controls will occur at the mine, as needed, following monitoring activities. In addition, the mine's permits will be maintained during suspension and Energy Fuels will continue to maintain compliance with the permit requirements.

7.0 SCHEDULE OF TEMPORARY CLOSURE

Due to market conditions, the Rim Columbus Mine stopped producing ore in the fall of 2009. Dewatering operations continued, including venting and underground access for pump maintenance, until February 8, 2013 when the vents were closed and the portal was locked. Mining is expected to recommence when market conditions are more favorable. During this non-operating period, Energy Fuels will maintain the buildings, drainage structures, evaporation pond, roads, and other surface facilities in a safe and environmentally acceptable condition in accordance with this Plan.

8.0 CONTACT DURING TEMPORARY CLOSURE

During this period of temporary closure, the following contact information should be used:

Race Fisher
Mine Superintendent
Office phone: (970) 677-2702
Cell phone: (970) 739-5742
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